MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Meeting of the Board of Regents as the Trustees of the University of Iowa Hospitals

and Clinics

Date: December 4, 2003

Recommended Action:

1. Receive the quarterly report on the University of Iowa Hospitals and Clinics (UIHC).

Executive Summary:

The agenda for the Quarterly UIHC Report will consist of three oral reports:

- 1) An update on UIHC Operations, Programs and Finances;
- Update on Joint Commission on Health Care Organizations Accreditation (JCAHO) Process and University of Iowa Hospitals and Clinics Preparedness; and
- 3) University of Iowa Hospitals and Clinics Indigent Patient Care Program.

Quarterly Update

Report on Operations/ Programs/ Finances

- □ The University of Iowa Hospitals and Clinics began fiscal year 2004 with patient volumes exceeding expectations.
- □ During the period July 1, 2003 through September 30, 2003, acute inpatient admissions increased 5.9% and outpatient clinic visits increased 10.7% compared to the same period during the preceding fiscal year. Total operating revenue reported for the period ended September 30, 2003 was 10.0% higher than the preceding year.
- □ The September year to date 2004 operating margin of 3.8% exceeds the 2.5% margin reported the previous year and exceeds the University of Iowa Hospitals and Clinics' fiscal year 2004 budgeted margin of 3.0%.
- □ Higher patient care volumes were offset by continued reductions in federal Medicare funding, and by higher costs for medical supplies, implants and pharmaceuticals, reflecting national trends.

<u>Update on Joint Commission on Health Care Organizations</u> Accreditation (JCAHO) Process and UIHC Preparedness.

Role of Hospital Trustees in Accreditation

- The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) is an independent, not for profit organization that is jointly sponsored by the American Hospital Association, American Medical Association, American College of Physicians, American College of Surgeons and American Dental Association.
- While participation in the rigorous and exacting accreditation process is voluntary, accreditation is necessary for state licensure, reimbursement for care of Medicare patients and by other insurance carriers, and residency training programs.
- □ This presentation by Daniel Fick, M.D., Assistant Dean of Clinical Affairs and Senior Assistant Hospital Director, will explain UIHC's current status and JCAHO's new accreditation methodology, effective January 2004. The report will also delineate JCAHO's requirements regarding governance and the role and responsibilities of hospital trustees during the on-site survey.

UIHC Indigent Patient Care Program

Impact of Reductions on Indigent Care

- During the November meeting of the Board of Regents, State of Iowa, a question was posed concerning the effect of the most recent reduction in state appropriations on Iowa's Indigent Patient Care Program.
- □ This presentation will provide a comprehensive perspective of the innovative program that is a partnership involving the State of Iowa, the University of Iowa Hospitals and Clinics and the state's 99 counties to provide services to Iowa residents who could not otherwise afford the health care they need.

UIHC Exhibit

Complete material on agenda and exhibits is included in a separate University of Iowa Hospitals and Clinics docket.

Robert J. Barak

Approved:

Bregory S'. Nichols

h/aa/docket/2003/dec/sui02